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## Sierra Pacific Industries to Sell Offsets From Forest Lands

In a move that indicates commercial forest owners see financial potential from carbon markets, the largest private forest owner in California, Sierra Pacific Industries, is entering the carbon market in a deal to preserve redwoods and other trees and to sell carbon offsets to power companies and investors, reports [Reuters](#).

The announcement comes less than a week after Gov. Arnold Schwarzenegger pushed through new rules that allow the company to qualify its trees' ability to absorb carbon dioxide emissions as a greenhouse gas reduction method, reports [LA Times](#).

Findings of a recent survey of global investors, who manage approximately \$7 trillion of assets, [show](#) that the investor community also believes there is significant potential for a multi-billion dollar expanded carbon market that would address global carbon emissions due to deforestation and forest degradation.

Opponents of Sierra Pacific's logging practices say the deal seems to promise a big payday to the company for managing its forest as it would have anyway, and that preserving the sequoias would not increase carbon absorption in the short term, according to LA Times.

Sierra Pacific and environmental markets company Equator LLC's Eco Products Fund will develop a 60,000 acre project to sequester 1.5 million tons of carbon dioxide, according to Reuters.

The offsets could be worth \$10 million or more at current prices, according to LA Times.

The first project involves a plan to permanently declare 20,000 young conifers, giant sequoias ranging from seedlings to trees 30 years old, off limits to logging forever, reports the LA Times.

Other projects could include slowing the harvest of trees or clearing brush and other debris, providing more light and space for trees, which can speed the growth of conifers and increase their absorption of gases that trap heat, according to LA Times.

California plans to cap emissions in the state and allow power companies to trade pollution credits, under a cap-and-trade system, that will begin in 2012 unless a federal plan pre-empts it, reports Reuters.